

WHEREAS, the citizens of the State of North Carolina are also entitled to know the economic effect of contracts under which the State's work would be performed outside the jurisdiction of the United States, known as "offshore"; and,

WHEREAS, offshore contractual performance presents a myriad of unique challenges that the Secretary of Administration and the State Chief Information Officer should consider;

THEREFORE, by the authority vested in me as Governor by the Constitution and the laws of the State of North Carolina, it is Ordered:

1. The Secretary of Administration and the State Chief Information Officer (SCIO) shall adopt policies and procedures consistent with their oversight authority to address the use of state contracts that will be performed totally or partially offshore, in consideration of the purpose of this Order, the requirements of North Carolina laws and regulations regarding contracting and procurement and the best interests of the citizens of the State of North Carolina, as well as federal and international laws.
2. To the extent allowable by law these policies and procedures shall include the following:
 - a. That all requests for proposals (RFP's) issued by the division of Purchase and Contract of the Department of Administration and by the Statewide IT Procurement Office contain the following provision: *The vendor must detail the manner in which it intends to utilize resources or workers located outside of the United States, and the State of North Carolina will evaluate the additional risks, costs and other factors associated with such utilization to make the award for this proposal as deemed by the awarding authority to be in the best interest of the State.*
 - b. The factors for evaluation should include the total cost to the State, level of quality provided by vendor, process capability across multiple jurisdictions, protection of the State's information and intellectual property, availability of pertinent skills, ability to understand the State's business requirements and internal operational culture, risk factors such as the security of the State's information technology, relations with citizens and employees, and contract enforcement jurisdictional issues.
 - c. If, after award of a contract, the contractor wishes to outsource any portion of the work to a location outside the United States, prior written approval must be obtained from the state agency responsible for that contract.
3. The Department of Administration (DOA) and the Office of Information Technology Services (ITS) shall require of vendors and shall collect, evaluate